

Enhancing Cooperative Thrift and Loan Scheme for Increased Agricultural Production in UDI Local Government Enugu State, Nigeria

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ABSTRACT

This study assessed ways of enhancing cooperative thrift and loan scheme for increased agricultural production in Udi local government area of Enugu state. To achieve this, the study ascertained the effect of cooperative credit on member's agricultural production, determined the effect of cooperative savings on member's agricultural input, and examined the extent to which access to loan to cooperative members increase their standard of living. Data were obtained from Eight functional and active cooperative in the area. The researcher adopted a descriptive research design and made use of survey to make generalization based on findings of the study and also adopted a judgmental sampling technique, Taro Yamane formula was used to determine the sample size of 120, The data obtained were analysed using simple percentage frequency distribution tables and likert scale. The stated hypothesis was tested using Pearson's product-moment correlation analysis. Evidence from the study revealed that cooperative thrift and loan scheme plays a significant role on the agricultural production of members. Therefore, the researcher recommended that cooperative should provide more credit and thrift services to members. Cooperative savings has a positive effect on Agricultural inputs therefore the cooperative should encourage their members to save and invest in viable agricultural businesses, such as poultry, piggery, fishery etc Government should also create an enabling environments for these cooperatives to thrive and Government should assist members with agricultural inputs, credit and supplies through their cooperatives.

KEYWORDS: Agriculture, Cooperatives, Thrift and Savings, Udi Local Government

1. Background of the Study

Agriculture plays a critical role in every country's overall growth. It is one of the most potentially viable sectors of the Nigerian economy, particularly in terms of its contribution to the country's GDP and export income profits. Despite Nigeria's abundant agricultural resources, agriculture has gradually declined in importance, accounting for 70-75% of total exports. (Ahaotu, 2017).

The agriculture sector's rapid technical advancements dictated the need for increased operating capital. As a result, Nigeria's poor peasants are looking for quick finance. Cooperative societies were formed on the

basis of collaboration to help the destitute peasants. The primary purpose of these cooperative groups is to free impoverished farmers from the clutches of moneylenders. Credit is a crucial element that enables enough operating capital as well as the development of infrastructure (Ahaotu, 2017). Adequate and timely loan availability greatly boosts agricultural output, resulting in a rise in the economic growth of farmers and persons associated with agriculture. Furthermore, agricultural financing may be used to stimulate gains in productivity, income, and employment (Ahaotu, 2017). Agricultural production is defined as the whole

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agricultural output or food quality generated by farmers (Apata and Yusuf, 2020).

Cooperatives have a tremendous deal of promise for increasing agricultural production and productivity among disadvantaged farmers, hence improving their entire living. (Apata and Yusuf, 2020).

The emphasis on agricultural finance remains on gradual institutionalization in order to provide timely and enough loans to farmers in order to increase agricultural output and productivity. It also intends to expand access to institutional loans for small and marginal farmers, as well as other vulnerable groups, to enable them to embrace new technologies and better agricultural methods.

Agricultural finance has been delivered through a multi-staged network of Commercial Banks, Regional Rural Banks, and finance Cooperatives.

The Nigerian cooperative Movement began largely to address the issue of rural lending.

Credit cooperatives are vital to the Nigerian financial system, particularly at the village level. These are crucial components of a multi-agency structure that is critical to the nation's growth (Ahaotu, 2017). The goal was to establish Agricultural Co-operative Credit Societies to promote thrift, self-help, and collaboration among agriculturists, craftsmen, and people with low financial resources. A cooperative society is a self-governing group of people who have come together voluntarily to achieve their common economic, social, and cultural needs and ambitions through a jointly owned and democratically managed company. (ICA, 2005). Cooperative societies may be found in practically every industry and government agency, including agriculture, finance, health, marketing, insurance, and credit (Kumar et al, 2015).

The purpose of a credit society is to generate a financial pull. It has been tasked from the start with creating and constructing a members-owned and controlled cooperative finance system. The most significant impediment to goal achievement is a lack of funds. This association promotes the spread of micro and other loan facilities to rural and urban areas in order to stimulate economic activity. Because of their mission, they are not banking institutions. The ultimate objective is to foster thrift among members while also meeting the credit needs of persons who would otherwise fall victim to loan sharks and other predatory lenders. (Babatunde et. al., 2007). Emenike and Obiora (2015) observed that low-interest loans to farmers motivated them to work harder in order to produce more during harvest.

Cooperative societies are widely dispersed organizations in developing nations, and they are

noted for their strong dedication to, and engagement in, their members' decision-making (Sheriff and Ezekiel, 2018).

Statement of the Problem

If properly organized and managed, the major goal of any cooperative is to fulfill the economic, social, and cultural requirements of its members.

Agricultural operations in Nigeria have been archaic over the years, and output has dropped as a result of the restricted credit and thrift society.

The expense of implementing modern agricultural operations has proven too expensive for farmers in Udi Local Government, Enugu State. Rural farmers have inadequate money to support their different agricultural operations, resulting in a decrease in agricultural productivity. They are confronted with the dilemma of inadequate funding for pre-planting, planting, and post-planting activities as a result of arbitrary loan allocation.

Access to financing is a big issue for rural farmers. Credit demands, on the other hand, grow with each passing year since rural farmers, who labor in agricultural production, do not have enough access to these credit facilities, according to their lending terms and conditions, interest rate, and collateral. Most small-scale farmers are impoverished and lack a savings and investment culture, in addition to having restricted access to financing. Farmers' productivity suffers as a result of their inability to obtain improved seedlings, chemicals, and hired labor, as well as transport and market their products, which would have improved their productivity, welfare, and ultimately helped them achieve economically sustainable production. Rules and regulations of formal financial institutions created the myth that the poor cannot afford the required collateral. (Akinagbe and Adonu, 2014). Much work has been done as regards Cooperative thrift and loan schemes for increased Agricultural production. But none has been done to the best of my knowledge in Udi local government, Enugu state. Hence the motivation for this study.

Objectives of the study

The broad Objective of this study is to assess the effects of the Cooperative thrift and loan schemes on increased Agricultural production in Udi Local Government Enugu State.

Specifically, this study intends to;

1. To ascertain the effect of cooperative credit on agricultural output in the study area.
2. To determine the effect of cooperative credit on the agricultural input to their members in the study area.

3. To examine the extent to which access to loans to cooperative members would increase the agricultural produce of their members in the study area.

Hypothesis

Ho: Cooperative thrift and Loan scheme has no significant effect on members' agricultural produce in the study area.

2. Conceptual Review

2.1. Cooperative thrift and Loan scheme.

Okafor (2016) explains that thrift and credit societies are founded by some members of pressed people who have the same requirements and goals of either saving money together or making it feasible for them to borrow readily from society.

According to Ibrahim (2001), thrift and credit organizations as we know them now originated in Germany in the middle of the nineteenth century. Germany is often regarded as the birthplace of credit cooperatives since two important persons were responsible for both rural and urban credit cooperatives. One of them, Fredrick Wilhelm Raiffeisen, created the rural credit cooperative, while Herman Schultze Delitzsch created the urban credit cooperative.

According to Adekunle (2015), the interdependence of these credit and thrift cooperatives facilitates social connection, provides financial assistance, and exposes members to economic prospects. (Shamshovich, 2020) adds that Credit and Thrift Cooperatives, by definition, endeavor to improve local and general welfare because they are the property of their shareholders. They address the issue of funding the economy's real sector and play an important role in areas remote from major financial centers, raising effective demand for training, job development, and poverty reduction.

2.1.1. Agricultural production

Agriculture accounts for roughly one-fifth of Africa's GDP and roughly half of the total value of its exports, yet more than two-thirds of the population lives in rural areas, and more than 85% of people in these areas rely on agriculture for a living (World Bank Development Indicators, 2014). Improving the productivity, profitability, and sustainability of smallholder farming is often regarded as the primary avenue out of poverty. Agricultural research and development interventions focusing on agricultural intensification and updating market channels for agricultural goods can lead to increased agricultural production, reducing poverty while meeting rising food demand.

The agricultural industry in Nigeria increased by roughly 5.9% per year from 2002 to 2012, however it

is suggested that this expansion is mostly due to population growth and the cropping of wider tracts of land, most likely by commercial farmers (Oseni et al., 2014). Nigerian agriculture is predominantly rain-fed, with poor productivity, limited technology, and a high labor intensity. This poor agricultural production has been ascribed to low fertilizer use, soil fertility loss, low technology, and rain-fed farming techniques. Nigerian farmers in all regions are below their production frontiers, meaning that there is space to raise agricultural output above present levels even without changing their current levels of input consumption. (Liverpool, et al., 2011).

Among the various causes for Nigeria's low agricultural production are low input consumption and farm technology, such as better seed and fertilizer. More than 80% of Nigerian families attribute their poor status to agricultural challenges, with lack of agricultural inputs and inability to pay inputs (such as fertilizers and seeds) accounting for 44% (Oseni et al, 2014).

Agricultural productivity is a broad notion with worldwide implications, but it all begins with good farm management. Our future well-being will be heavily influenced by how prolific and efficient our global food production systems can become. A high level of agricultural production assures ample and inexpensive food while also promoting economic growth and food security and protecting finite natural resources such as land and water. This is especially important as our population continues to grow and climate change extremes threaten to strain our present food production systems. However, while increased agricultural production has far-reaching global implications, enhancing agricultural efficiency has always been and will continue to be performed at the farm level, by using technical innovation to improve farm management efficiency.

Members get access to high-quality agriculture inputs including seeds, pesticides, fertilizers, and so on. With the comparative advantage of economies of scale, cooperatives are well positioned to handle this. The cooperative's mission is not just to manage input prices, but also to ensure that quality goods and adequate technical knowledge are supplied to farmers via extension agents. According to (Lowa, 2021), appropriate availability of agricultural inputs and farm supplies would result in enhanced production. The agricultural cooperative has the capacity to acquire the best inputs, such as seedlings, fertilizers, and others, and make them available to their members, increasing production and thereby improving their standard of life.

2.1.2. Effect of credit on Agricultural production.

Credit is important in agricultural production since it may be used as capital to purchase inputs. This is demonstrated by the study of (Peter et al, 2022). He stated that credit has a beneficial influence on smallholder farmers' technical efficiency since it enhances timely purchasing and efficient distribution of farming supplies for maximum yield. Access to formal credit or loans has a substantial impact on smallholder farmers' agricultural productivity. The role of finance in agricultural productivity cannot be overstated (Awotide et al 2015). Farmers require both ex-ante and ex-post capital access. Ex-ante capital access is necessary to fund critical production expenditures such as labor and buy inputs that must be paid ex-ante, that is, before production is really realized. Ex-post capital access, on the other hand, is especially important when there is no insurance, as is typically the case in low-income rural nations. Thus, in the face of yearly fluctuations in production, ex-post access to capital is critical for stabilizing household spending from year to year.

Awotide et al. (2015). Take into account that credit enables farmers to meet the cash needs induced by the production cycle that characterizes agriculture; land preparation, planting, cultivation, and harvesting are typically done for several months during which very little cash revenue is earned, while expenditure on materials, purchased inputs, and consumption must be made in cash. Thus, access to credit may have an effect on agricultural productivity since farmers who have binding capital limitations prefer to employ lower amounts of inputs in their production activities than those who are not bound.

Agricultural production is heavily influenced by the fact that inputs are transformed into outputs with significant time lags (Conning and Udry, 2005), requiring rural households to balance their budgets during the season when expenditure for input purchases and consumption is high and revenue is low. The budget balance throughout the year might constitute a limitation to agricultural production if credit is constrained. When liquidity is a restriction, a farmer's input amounts and combinations may diverge from optimal levels, limiting optimal output or consumption options. According to economic theory, farmers that face binding capital limitations employ lower quantities and combinations of inputs than those whose production activities are not constrained by capital constraints. The result is that access to finance may boost rural poor families' propensity to adopt new technologies that raise both mean income levels and income riskiness.

Agricultural finance has the potential to enhance agricultural modernisation and economic growth.

This means that agricultural financing helps to develop and maintain an adequate flow of inputs, enhancing farm production efficiency. According to (Peter et al, 2022), access to finance increases the production efficiency of smallholder farmers, lowering rural poverty and food insecurity.

2.1.3. Effect of saving on Agricultural production

Savings, according to Kagan (2012), are the funds remaining after deducting consumer spending from disposable income. Savings are a net excess of cash for a person or family after all costs and responsibilities are satisfied. Scotiabank (by the year 2021). According to the Encyclopedia Britannica, saving is the act of putting a portion of one's current income aside for future use, or the flow of resources acquired in this manner over a specific time period. Savings refer to the amount of one's income that is not spent or consumed.

(Awotide et al., 2015) states that it is possible that people save for a variety of purposes, including the purchase of household items. The phrase "household assets" refers to the total quantity of assets owned by households (individuals and families) as opposed to assets owned by businesses or other organizations. Measuring household assets and changes in people's assets can be used to forecast consumption. An individual's wealth is sometimes defined in terms of the total value of cash and property possessed by households. According to Hamel (2021), the term "household asset" refers to cash and other objects of monetary worth. Cash and the value of financial accounts, real estate, personal items, and stocks are all examples of household assets. According to the Organization for Economic Cooperation and Development (OECD), household savings are the primary domestic source of funding for capital investment, which is a significant driver of long-term economic growth. Household savings rates range significantly between nations due to institutional, demographic, and socioeconomic variables.

The cooperative thrift and credit society encourages thrift among its members by instilling excellent saving habits in them. Mobilizing savings and deposits offers a reliable stream of funding for cooperative and credit societies to grow their microfinance operations for members.

2.1.4. Effect of Cooperative Thrift and Credit Societies on Enhancing Members Living Standard

Cooperative thrift and credit societies on their own make low-interest loans to its members in order for them to start new enterprises or grow current ones. In addition, the society sells subsidized products and services to its members.

Peoples Bank of Nigeria is also one of the banks that integrates loan credit and financial services with the improvement of health status and quality of life in order to improve the living standards of rural residents.

2.1.5. Role of Cooperative Thrift and Loan Scheme in Increasing Agricultural

Production

Cooperatives thrift and loan societies offer farmers with locally required services, employment, and input. Cooperatives also allow farmers to organize themselves into groups to provide services that will assist member production (Jimoh, 2012). Rural farmers in Enugu state, like their colleagues across Nigeria, are locked in a cycle of poverty, starvation, unemployment, and mass migration from rural to urban regions. As a result, farmers must create cooperative groups in order to pool their resources and boost agricultural output while simultaneously reducing poverty. It should be noted that Nigeria's cooperative thrift and lending organization plays an essential role in enhancing agricultural output. (Jimoh, 2012). The importance of rural cooperatives in mobilizing and delivering finance to farmers was emphasized. He further emphasized that cooperatives offer a wide range of services to its members, including credit, health, recreational, and housing facilities. They can also help spread knowledge about contemporary agricultural methods.

(David and Dorian, 2014).

It has been reported that cooperative thrift and lending organizations give functional education to their members in the fields of agricultural produce production, processing, and marketing. Cooperative members' education might be formalized, with members receiving training in areas such as bookkeeping and agricultural management. They might also be taught informally by attending national and international conferences and seminars. Training agricultural cooperative members aids in the smooth operation of cooperatives and their profitability. Cooperative profitability contributes to poverty reduction among its members and in the community.

Ways to improve cooperative thrift and loan scheme.

1. The government must provide enabling laws and an atmosphere in which cooperatives may thrive in order to increase agricultural productivity.
2. By increasing the number of registered cooperative organizations and the participation of its members.
3. Federal and state governments show a high level of cooperation.
4. Reformation of the management committee and society members

5. Restoring independence in cooperative operations, such as legal autonomy.

2.2. Theoretical Framework

The Collective Action Theory

The Collective Action theory was propounded by Mancur Olson in 1965. Uzonwane's (2015), theory states that individuals under certain institutional arrangements and shared norms are capable of organizing and sustaining cooperation that advances the common interest of the group in which they belong. This means that individuals can organize and govern themselves to attain benefits that may not be individualized but which benefit the entire group. The theory is applied widely to groups, organizations, agencies, as well as community action. Olson saw collective action as a voluntary action taken by a group to achieve the perceived common needs of members which helps in reducing the challenges of the group. Uzonwane (2015), such collective action has a lot of positive impact on society, for instance, by bridging the gap created by poverty inequalities and improving the livelihood of the marginalized and vulnerable groups such as the elderly and widowed. Although the collective action theory is lauded, it has some weaknesses. The proponent in his model of the rational individual suggests that where individuals believe that they can enjoy the benefits of cooperation without contributing to the costs, they will free-ride and leave the cooperation to others. This implies the corrupt nature of human beings which impacts negatively on organizations. However, it is argued that individuals are always motivated to act collectively by their emotions/passion for a cause. In this perspective, Olsons definition of rationality is considered to be too narrow. Despite this shortcoming, cooperative societies being organizations formed by collective action voluntarily and democratically controlled by individuals to pursue common benefits which cannot otherwise be effectively achieved individually; the collective action theory, therefore, is suitable to this paper as it sets the premise for cooperative societies to be formed and operated.

Empirical Review

The emphasis here is to explore the literature to discover how the present problem has been solved in the past by researchers in different environments. The importance is to have a background as well as an adequate basis for the Justification of the study.

Okafor (2016) investigated the performance of thrift and credit in Nnewi South Local Government Area, Anambra State, using the convenience sampling technique to select a sample size of 100 members, 100 questionnaires, and a total of 83 was duly filled

and retrieved from the respondent. After rigorous data analysis, the researcher discovered that, in addition to the traditional purposes of thrift and societies, which include thrift savings and loans, it offers other socio-economic benefits for its members. It was established that full-time hired labor is critical to the advancement of society, yet monthly compensation for hired employees becomes a serious issue.

Anyaeji (2016) investigated the impact of savings and credit cooperative organizations, as well as measures for mobilizing savings, in the Aguata local government region. The researcher used descriptive statistics as well as the mean model 5-point Likert scale to assess. The study's findings demonstrated that SACCOs have a substantial favorable influence on members' saving options, the promotion of members' savings spirit, the deduction in members' family funds, and the avoidance of frivolous consumption.

Anatogu (2013) investigated the applicability of cooperative thrift and credit organizations to higher education personnel. The mean score analysis was used to examine the data. However, research indicated that cooperative thrift and credit organizations help to meet the socioeconomic demands of employees by increasing savings, which enhances investment.

Nwana (2015) examined cooperative society credit mobilization and its influence on rural development. The research was conducted in Anambra state's Njikoka local government area. The data was mostly acquired by questionnaires, and descriptive statistics were used in the study. Despite the problems they confront, the results suggest that cooperatives have a good influence on rural development through mobilized finance.

Umebali, Aguyi, and Umuahia (2014) examined the performance of thrift and credit cooperative societies (CTCS) in the Ikeduru local government Area of IMO state, Nigeria. The study's objectives are to measure the volume of members' savings made between 2008 and 2011, establish if members repay loans successfully, and identify challenges affecting the CTCS in Ikeduru L.G.A. The study used descriptive and inferential statistics to examine the routing objectives. The findings show that just 0.3% of the total population in Ikeduru L.G.A. was a member of thrift and credit societies (CTCS). The amount of loans given was insufficient for business development. The research's goal is to determine the influence of a group, such as a cooperative society, on entrepreneur growth in the studied region. The study used a descriptive analytic approach with data from both primary and secondary sources. Members of cooperative thrift and credit organizations in the

research are stronger entrepreneurs than non-members, according to the findings.

Gap in Literature

With regards to the reviewed empirical literature from different Geographical sources, there are indications that there exists a gap, as this source ignored in their studies of ways to improve cooperative and loan schemes for increased Agricultural production in Udi Local Government Enugu State, Nigeria. This study, therefore, is imperative to close that gap.

Methodology

The descriptive survey design was adopted for the study.

For this study, the primary source of data was employed through the use of questionnaire.

Judgmental sampling technique was used to select the twenty (8) Cooperative societies out of the total Agricultural Cooperative societies operating in Udi local government area of Enugu State and also 92 members were selected for the study. They were selected for accessibility and functionality.

3. Method of Data Analysis

The analysis was obtained using simple descriptive statistical tools such as the frequency distribution scale and simple percentage. The likert scale responses are assigned numerals to determine their position on the variables being measured.

Nominal value	Range of mean score	Scaling Instruments
5	5 points	Very large extent
4	4 points	Large extent
3	3 points	No extent
2	2 points	Small extent
1	1 point	Very small extent

The mean is calculated as $X = \frac{\sum fX}{n}$

Five point rating scale = $\frac{5+4+3+2+1}{5} = \frac{15}{5} = 3.0$

After computing the mean, a mean score above 3.0 is acceptable while any mean score less than 3.0 is rejected.

Simple percentage formula = $X/Y = 100/1$

Where x= is the overall frequency of the response of each question

N=the total number of respondents.

In testing the hypothesis, the Product-Moment Correlation analysis was employed. This is because the Product-Moment Correlation analysis measures the strength and relationship that exist between two

variables. Product-Moment Correlation analysis is utilized in this study to test the impact of cooperative thrift and loan scheme on member's Agricultural production. The formula is stated below:

$$r = \frac{n \sum xy - \sum x \sum y}{\sqrt{[N \sum x^2 - (\sum x)^2] [N \sum y^2 - (\sum y)^2]}}$$

Where n = sample size

3.1. Personal data of Respondents

The personal data of the members includes gender, marital status, age, educational qualification and years of cooperative experience.

$\sum X$ = the sum of x (independent variable)

$\sum y$ = the sum of y (dependent variable)

$\sum x^2$ = the sum of square x values

$\sum y^2$ = the sum of square y values

$\sum xy$ = the sum of the product of x & y

DECISION RULE: Reject the null hypothesis (Ho) if calculated r is less than critical P- value at 0.05 level of significance.

Table 1

Personal Data variables	Categories	Frequency n = 60	Percentage %
Gender	Male	35	58.3
	Female	25	41.6
Marital status	Single	20	33.3
	Married	34	56.6
	Divorce	6	10.0
Age(year)	18-30 years	10	16.6
	31-40 years	25	41.6
	41- 60 years	16	26.6
	51 years and above	9	15.0
Level of education	FSLC	8	13.3
	WASSEC	10	16.6
	OND/NCE	5	8.3
	HND/B. SC	25	41.6
	MBA/MSC	12	20.0
Year of cooperative experience	1 - 5 years	20	33.3
	6 - 10 years	35	58.3
	11 - 15 years	5	8.3
	16 years and above	-	-

Source: Field survey, March, 2023.

Gender: Table (1) indicates that there are Male respondents in the study area than Female with a frequency and percentage of 35(58.3%) and 25(41.6%) respectively.

Marital Status: It further shows that 20(33.3%) of the respondents are single, 34(56.6%) are married and 6(10.0%) of the respondents are divorced. This implies that there are more married couple in the study area.

Age: It reveals that majority of the respondents fall within the age range of 31-40 years with a frequency rate of 25(41.6%), In addition to that, it depicts that there are only 10(16.6%) young adults within the age range of 18-30 years who are members of the Agricultural Cooperatives in the study area. This implies that majority of adult are in their productive age in the study area.

Level of Educational Qualification: According to the findings, 8(13.3%) of the respondents completed their basic education, 10(16.6%) acquired secondary education, 5(8.3%) obtained OND/ NCE certificates, 25(41.6%) of the respondent obtained their B.sc while 12(20.0%) of the respondents are MBA/MSC degree holders. The statistics show that members of Agricultural Cooperatives in the study area are quite educated and can read and write fluently.

Years of Cooperative Experience: The study shows that members of Agricultural cooperatives in the study area are quite experienced. This is evident as 35(58.3%) of the respondents fall under the year of experience range of 6- 10 years.

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3.2. Cooperative credit and Agricultural Production**Table 2: Distribution according to the effect of cooperative Credit on agricultural production**

S/N	ITEMS	VLE(5)	LE(4)	NE(3)	SE(2)	VSE(1)	N = 60	Mean = Efx/n	Decision
	Agricultural credit								
i	Our cooperative offer credit facilities to members	35 (175)	20 (80)	5 (15)	-	-	60 (270)	4.5	Accept
ii	Easy access to credit enables members to acquire more farmlands and farm implements to expand their business	40 (200)	20 (80)	-	-	-	60 (280)	4.6	Accept
	Agricultural production								
iii	Members are able to increase their farm produce as a result of credit facilities available to them	9 (45)	12 (48)	8 (24)	31 (63)	-	60 (180)	3.0	Reject
iv	Credit are granted by cooperatives to strengthen business investment of members	39 (195)	20 (80)	1 (3)	-	-	60 (278)	4.6	
	Grand mean							4.2	Accept

Source: Survey report, 2022.

Table (2) depicts the extent to which agricultural credit offered Agricultural Cooperatives lead to increase in member's productivity. Item (iii) is rejected because it is below the threshold of 3.0, implying that Agricultural credit offered by Agricultural Cooperatives do not necessarily lead to the increase in members farm produce. However, the grand mean of 4.2 which is above the threshold of 3.0 is acceptable. This therefore indicates that Agricultural credit offered by Agricultural Cooperatives have significant effect on member's agricultural production.

3.3. Cooperative savings and Agricultural input**Table 3: Distribution according to the effect of cooperative savings on members' Agricultural inputs**

S/N	ITEMS	VLE (5)	LE (4)	NE (3)	SE (2)	VSE (1)	N = 60	Mean = Efx/n	Decision
	Cooperative savings								
i	Our cooperative is involved in compulsory savings and thrifting	55 (275)	5 (20)	-	-	-	60 (295)	4.9	Accept
ii	Our cooperative encourage members to improve their saving habits	25 (125)	20 (80)	10 (30)	5 (10)	-	60 (245)	4.1	Accept
	Agricultural inputs								
iii	Members compulsory savings with the cooperative enables members to acquire more farming input to boost agricultural production	45 (225)	14 (57)	1 (3)	-	-	60 (285)	4.8	
iv	Members are able to acquire more labour facilities such as machineries, tractors and plough as a result of their savings	30 (150)	17 (68)	9 (27)	4 (8)	-	60 (253)	4.2	Accept
	Grand mean							4.5	Accept

Source: Field survey, 2023

Table (3) is a representation of the extent to which cooperative savings would lead to increase in member's Agricultural inputs. The grand mean of 4.5 is accepted because it is significantly above the threshold of 3.0. This implies that cooperative savings rendered by Agricultural Cooperatives enables members to acquire more farming input to boost agricultural production in the study area.

3.4. Access of loan to member and standard of living

Table 4: Distribution according to the extent to which access to loan affect members' standard of living

S/N	ITEMS	VLE (5)	LE (4)	NE (3)	SE (2)	VSE (1)	N = 60	Mean = Efx/n	Decision
	Access to loan								
I	Our cooperative offer loan services to members	32 (160)	24 (96)	4 (12)	-	-	60 (268)	4.5	Accept
Ii	Members have easy access to loan at a low interest rate	30 (150)	19 (76)	9 (27)	2 (4)	-	60 (258)	4.3	Accept
	Standard of living								
Iii	Loan disbursement by cooperative have improve members standard of living	4 (20)	8 (32)	14 (42)	33 (66)	1 (1)	60 (161)	2.7	Reject
Iv	Easy access to loan enables members to increase their productivity therefore increasing their income	25 (125)	20 (80)	12 (36)	3 (6)	-	60 (247)	4.1	Accept
	Grand mean							3.9	Accept

Table (4) indicates the extent to which access to loan leads to improving the standard of living of members. The grand mean of 3.9 is acceptable. This is because it is above the threshold of 3.0. The findings therefore indicate that savings with the Agricultural cooperatives leads to increase in members' income thereby increasing their standard of living

3.5. Testing Hypothesis

In this section, the research hypothesis earlier formulated which states that, Cooperative Thrift and Loans scheme have no significant effect on member's Agricultural production", was tested using the Pearson's Product-Moment Correlation analysis. Questions i - iv of Table (5) were used to test the hypothesis.

Table (5): Observed Frequency from Table 5 to Summarize the Hypothesis.

X	Y	Xy	X ²	Y ²
35	39	1365	1225	1521
20	20	400	400	400
5	1	5	25	1
60	60	1770	1650	1922

$$r = \frac{N \sum xy - \sum x \sum y}{\sqrt{[N \sum x^2 - (\sum x)^2] [N \sum y^2 - (\sum y)^2]}}$$

Where N= sample size

$\sum X$ = the sum of x (independent variable)

$\sum y$ = the sum of y (dependent variable)

$\sum x^2$ = the sum of square x values

$\sum y^2$ = the sum of square y values

$\sum xy$ = the sum of the product of x & y

$$r = \frac{5(1770) - 60 \times 60}{\sqrt{[5 \times 1650 - (60)^2] [5 \times 1922 - (60)^2]}}$$

$$r = \frac{8850 - 3600}{\sqrt{[8250 - 3600] (9960 - 3600)}}$$

5250

 $\sqrt{(4650)(6360)}$

5250

 $\sqrt{29,574,000}$

5250

5438.2

 $r = 1.002$

The correlation coefficient $r = 1.002$

The table of critical values of the Pearson product moment correlation coefficient was used to test the hypothesis. The critical value for r at $N - 2$ degrees of freedom is 0.878 where $N = 5$

Decision rule: Reject the null hypothesis (H_0) if calculated r is less than critical P -value at 0.05 level of significance.

Decision: The result of the computed hypothesis shows that there is a positive relationship between Cooperatives thrift and loan scheme and increased Agricultural production with calculated $r = 1.002$ and critical P -value of 0.878 ($r < p$). Therefore, we reject the null hypothesis and accept that Cooperative Thrift and loan scheme have significant effect on member's agricultural production in the study area.

3.6. Discussion of Findings

Findings show that cooperative credit offered by Agricultural cooperative has a significant effect on the agricultural production of members. This finding agrees with the findings of Apata and Yusuf (2020) in their work; "The Roles of Cooperatives in enhancing productive agriculture and Livelihood of farmers in Nigeria. Their findings reveal that cooperatives contribute to Economic and rural empowerment through the procurement of farm inputs for members. It is also in line with the findings of Anatogu (2013) in his work; "The Relevance of cooperatives thrift and credit societies to workers of higher institutions". His findings revealed that cooperative thrift and credit societies to a great extent solve the socio-economic needs of staff by encouraging savings which improves investment.

Furthermore, findings of this work shows that Savings rendered by Agricultural cooperatives enables members to acquire more farming inputs to boost agricultural production and it conforms with the work of Anyaeji (2016) "effect of savings and credit cooperative societies and strategies on savings mobilization in Aguata Local Government area. The findings of the study revealed that SACCOs has a strong positive effect on members' saving option, enhancement of members' savings spirit, deduction in members' family fund, and prevention of frivolous expenditure.

Access to loan to members and standard of living.

Findings also show that increased savings by members of Agricultural cooperative lead to an increase in member's income thereby increasing their

standard of living, and it conforms with the work of Sherrif and Ezekiel (2018) The study concluded that cooperative credit societies are very productive and effective in helping members achieve their goals and also improve their standard of living. Cooperatives societies should encourage members in quick access to loans.

4. Conclusion

The general objective of the study is to examine the ways of enhancing Cooperative Thrift and loan scheme for increased Agricultural production. The findings revealed that cooperative credit, compulsory savings and access to loans are key elements in improving member's productivity, business expansion and effective use of resources. It is therefore evident that cooperative thrift and loan scheme have significant positive influence on the production of members.

4.1. Recommendations.

The following recommendations were made based on the findings of the study;

1. Base on the positive relationship that exist between cooperative credit and Agricultural Production, I suggest that government should complement the effort of cooperative by evolving a favourable credit policy which would lead to entrepreneurial development in the rural areas.
2. Cooperative savings has a positive effects on Agricultural inputs therefore the cooperative should encourage their members to save and invest in viable agricultural businesses, such as poultry, piggery, fishery, etc Government should also create an enabling environments for this

cooperative to thrive and Government should assist members with agricultural inputs, credit and supplies through their cooperatives.

3. The divisional cooperative officer needs to create more awareness on the benefit of cooperatives and encourage people to join and form agricultural cooperatives in order to enjoy the benefit of increased income and improved standard of living which is a resultant effect of cooperative loans.

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